

CITY OF ALAMEDA

Memorandum

To: Honorable Mayor and
Members of the City Council

From: John A. Russo
City Manager

Date: July 19, 2011

Re: Reject the Sole Bid and Adopt a Resolution Authorizing Open Market Negotiations of a Contract Pursuant to Section 3-15 of the Alameda City Charter for Park Street Streetscape, Lincoln Avenue to Webb Avenue, and Central Avenue to San Jose Avenue, No. P.W. 10-09-30 Contingent Upon Caltrans Approval of Cost Effectiveness/Public Interest Finding (Requires Four Affirmative Votes)

BACKGROUND

On March 15, 2011, the City Council authorized a call for bids for the Park Street streetscape, Lincoln Avenue to Webb Avenue, and Central Avenue to San Jose Avenue project, No. P.W. 10-09-30. Bids were opened on June 13, 2011, and only one contractor, Ghilotti Brothers, Inc., submitted a bid for \$1,905,267, a 40% increase above the engineer's estimate. Staff reviewed the bids and determined that several line items were well above industry average cost, including clearing and grubbing, curb and gutter, traffic control, and trenching. On June 21, 2011, the City Council rejected the sole bid and adopted revised plans and specifications and authorized a new call for bids.

The proposed improvements from Lincoln Avenue to Encinal Avenue include: the removal of 21 existing street trees and the planting of 32 new street trees with irrigation, in accordance with the City's Master Street Tree Plan; the removal of five existing streetlights and the installation of 22 new streetlights; the installation of bus shelters, bicycle racks, and Americans with Disabilities Act (ADA) accessible curb ramps; and the reconstruction of portions of curb, gutter, sidewalk, and street pavement, as needed, for the installation of the improvements. The add alternate from Encinal Avenue to San Jose Avenue would remove seven trees and plant 24 new trees with irrigation; remove six streetlights and install 16 new streetlights; and construct a curb extension on the east side of Park Street at San Antonio Avenue for ADA accessibility at the existing crosswalk. In addition, the project includes an option to replace the existing parking meters with parking meter kiosks, based on total project cost.

DISCUSSION

To solicit the maximum number of bids and most competitive price, plans and specifications were provided to 19 separate builders exchanges throughout the Bay

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Area and posted on the City's website. A notice of bid was also published in the Alameda Journal. A bid opening was held on July 7, 2011, and the bid information is as follows:

Contractor	Location	Base Bid/Add Alternates
Ghilotti Brothers, Inc.	San Rafael, CA	\$1,917,348
Suarez & Munoz Construction Inc.	Hayward, CA	Submitted Late/Returned

While the City received two bids, Ghilotti Brothers, Inc. was the only contractor to submit a bid by the deadline. The bid submitted by Suarez & Munoz Construction Inc. was hand delivered six minutes after the scheduled bid opening time, and the bid could not be accepted. The City returned the bid to Suarez & Munoz, unopened.

The latest bid exceeds the Engineer's estimate and is greater than the funds the City has available to complete the project. Public Works staff has reviewed the Engineer's estimate with the project consultant, Bellecci & Associates Inc. and determined it is reasonable and the bid prices are higher than expected. Furthermore, the current bid submitted by Ghilotti Brothers is \$12,000 more than the previous bid, even though staff modified the scope of work to provide a more competitive price. Modifications to the scope included eliminating the requirement to close the site at the end of each working day, which would reduce construction time and trench work expense, and extending the length of the contract to provide additional working days and reduce the need and cost for extra crews.

Public Works staff proposes that the City Council reject the sole bid and, in accordance with Section 3-15 of the Alameda City Charter, authorize the open market negotiation of a construction contract for the Park Street Streetscape, Lincoln Avenue to Webb Avenue, and Central Avenue to San Jose Avenue project. Public Works staff will negotiate with Ghilotti Brothers, Inc. and Suarez & Munoz Construction, Inc. to obtain the most competitive price for this work. Since this is a federally funded project, Caltrans will be required to make a finding that the open market negotiation is justified to ensure cost effectiveness and is in the public's interest.

FINANCIAL IMPACT

The funds for this project are budgeted in the Public Works Department's account for Capital Improvement Program (90606) Park Street Streetscape, Lincoln Avenue to Webb Avenue and Central Avenue to San Jose Avenue, with federal grant funds (Fund 310), and Parking Meter funds (Fund 224). As indicated above, the bid price from Ghilotti Brothers, Inc. exceeds the available funds budgeted for the project, and to award the contract at the bid price would require an additional appropriation from other funding sources. The City does not have the additional funds available to award the

contract as bid. Therefore, to ensure there is no impact to the General Fund, staff proposes to enter into open negotiations with the two bidders to the contract for a price within the project budget.

MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE

This action is authorized pursuant to Alameda City Charter Section 3-15.

ENVIRONMENTAL REVIEW

In accordance with the California Environmental Quality Act (CEQA), this project is Categorically Exempt under the CEQA Guidelines Section 15301(c), Existing Facilities.

RECOMMENDATION

Reject the sole bid and adopt a resolution authorizing open market negotiations of a contract pursuant to section 3-15 of the Alameda City Charter for Park Street streetscape, Lincoln Avenue to Webb Avenue, and Central Avenue to San Jose Avenue, No. P.W. 10-09-30, contingent upon Caltrans approval of a cost effectiveness/public interest finding. (Requires four affirmative votes.)

Respectfully submitted,



Matthew T. Naclerio
Public Works Director

By,



Shilpa Patel
Junior Engineer

Approved as to funds and account,



Fred Marsh
Controller

CITY OF ALAMEDA RESOLUTION NO. _____

AUTHORIZING OPEN MARKET NEGOTIATIONS OF A CONTRACT PURSUANT TO SECTION 3-15 OF THE ALAMEDA CITY CHARTER FOR PARK STREET STREETScape, LINCOLN AVENUE TO WEBB AVENUE, AND CENTRAL AVENUE TO SAN JOSE AVENUE, NO. P. W. 10-09-30, CONTINGENT UPON CALTRANS APPROVAL OF COST EFFECTIVENESS/PUBLIC INTEREST FINDING (REQUIRES FOUR AFFIRMATIVE VOTES)

Approved as to Form

City Attorney

WHEREAS, on March 15, 2011, the City Council authorized a call for bids for the Park Street Streetscape, Lincoln Avenue to Webb Avenue, and Central Avenue to San Jose Avenue, No. P.W. 10-09-30; and

WHEREAS, on June 13, 2011, the sole bid received/submitted was opened and it exceeded the Engineer's Estimate; and

WHEREAS, on June 21, 2011, the City Council rejected the sole bid and re-authorized a call for bids for the Park Street Streetscape, Lincoln Avenue to Webb Avenue, and Central Avenue to San Jose Avenue, No. P.W. 10-09-30; and

WHEREAS, on July 7, 2011, the sole bid received/submitted was opened and it still exceeded the Engineer's Estimate; and

WHEREAS, Section 3-15 of the City Charter provides that the City Council, by four affirmative votes, can authorize an open market negotiation if it determines that, by doing so, the public work or improvements in question will be performed more economically.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Alameda, pursuant to Section 3-15 of the City Charter, and by four affirmative votes, the City Manager, in cooperation with the Public Works Department, is hereby authorized to enter into open negotiations of a construction contract for the Park Street Streetscape, Lincoln Avenue to Webb Avenue, and Central Avenue to San Jose Avenue, No. P.W. 10-09-30, contingent upon Caltrans approval of cost effectiveness/public interest finding.

* * * * *

I, the undersigned, hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the Council of the City of Alameda in regular meeting assembled on the 19th day of July 2011, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed the official seal of said City this 20th day of July 2011.

Lara Weisiger, City Clerk
City of Alameda